

**Implementation of the Subscriber Carrier Selection Changes Provisions of the Telecommunications Act of 1996, Policies and Rules Concerning Unauthorized Changes of Consumers' Long Distance Carriers, CC Docket No. 94-129, CG Docket No. 17-169**

**SUPPORTING STATEMENT**

**A. Justification**

1. Section 258 of the Communications Act of 1934, as amended (the Act), makes it unlawful for any telecommunications carrier to “submit or execute a change in a subscriber’s selection of a provider of telecommunications exchange service or telephone toll service except in accordance with such verification procedures as the Commission shall prescribe.”<sup>1</sup> Section 258 further provides that any telecommunications carrier that violates such verification procedures and that collects charges for telephone exchange service or telephone toll service from a subscriber shall be liable to the subscriber’s preferred carrier in an amount equal to all charges paid by the subscriber after such violation.<sup>2</sup> Switching one’s carrier without verified authorization is commonly referred to as “slamming.”

In 2008, the Commission revised its requirements concerning the verification of a consumer’s intent to switch carriers.<sup>3</sup> The requirements were designed to ensure that each verification includes the date; to expand the disclosure obligations of third-party verifiers when consumers have questions during the verification process; and to otherwise clarify the required disclosures by verifiers to ensure that consumers comprehend precisely what carrier changes they are approving. The Commission expected these requirements to increase consumer confidence, clarify the existing rules, and decrease the likelihood of slamming.

The Commission’s slamming rules currently require, among other things, that a carrier receive individual subscriber consent before a carrier change may occur.<sup>4</sup> Specifically, a carrier must: (1) obtain the subscriber’s written or electronically signed authorization in a format that meets the requirements of the Commission’s rules; (2) obtain confirmation from the subscriber via a toll-free number provided exclusively for the purpose of confirming orders electronically; or (3) utilize an appropriately qualified independent third party to verify the subscriber’s order.<sup>5</sup> The Commission has also adopted rules to limit the liability of subscribers when an unauthorized carrier change occurs, and to require carriers involved in slamming practices to compensate subscribers whose carriers were changed without authorization.<sup>6</sup>

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<sup>1</sup> 47 U.S.C. § 258(a); *see also* 47 CFR §§ 64.1100 – 64.1190 (implementing section 258 of the Act).

<sup>2</sup> *Id.* § 258(b).

<sup>3</sup> *See Implementation of the Subscriber Carrier Selection Changes Provisions of the Telecommunications Act of 1996; Policies and Rules Concerning Unauthorized Changes of Consumers’ Long Distance Carriers*, CC Docket No. 94-129, Fourth Report and Order, 23 FCC Rcd 493, 501, para. 19 (2008) (*Fourth Report and Order*); *see also* 47 CFR § 64.1120(c)(3)(iii).

<sup>4</sup> *See* 47 CFR § 64.1120.

<sup>5</sup> *See id.* § 64.1120(c). Section 64.1130 details the requirements for letter of agency form and content for written or electronically signed authorizations. *Id.* § 64.1130.

<sup>6</sup> These rules require the unauthorized carrier to absolve the subscriber where the subscriber has not paid his or her bill. If the subscriber has not already paid charges to the unauthorized carrier, the subscriber is absolved of liability for charges imposed by the unauthorized carrier for service provided during the first 30 days after the unauthorized change. *See id.* §§ 64.1140, 64.1160. Any charges imposed by the unauthorized carrier on the subscriber for service provided after this 30-day period shall be paid by the

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Most recently in 2018, the Commission adopted a Report and Order to amend the slamming rules to reinforce the Commission's ability to take enforcement action against slammers and to deter carriers from engaging in slamming in the first place.<sup>7</sup> Specifically, it improved the effectiveness of the existing third-party verification process by *eliminating* the requirement that carriers must obtain authorization for each individual service sold (e.g., intraLATA and interLATA toll service) when the carrier is selling more than one telecommunications service to a subscriber.

***Elimination of Information Collection Requirement Since Collection Last Approved:***

Section 64.1120(b). The Commission eliminated the following requirement: Where a telecommunications carrier is selling more than one type of telecommunications service (e.g., local exchange, intraLATA/intrastate toll, interLATA/interstate toll, and international toll) that carrier must obtain separate authorization from the subscriber for each service sold, although the authorizations may be made within the same solicitation. Each authorization must be verified separately from any other authorizations obtained in the same solicitation. Each authorization must be verified in accordance with the verification procedures prescribed in this part.

***Existing Information Collection Requirements That Have Been Approved by OMB and Have Not Changed Since Last Approved:***

- (a) Section 64.1110. State Notification of Election to Administer FCC rules.
- i. Section 64.1110(a). Pursuant to section 64.1110(a), state notification of an intention to administer the Federal Communication Commission's unauthorized carrier change rules and remedies, as enumerated in sections 64.1100-1190, shall be filed with the Commission Secretary in CC Docket No. 94-129 with a copy of such notification provided to the Consumer and Governmental Affairs Bureau Chief. Such notification shall contain, at minimum, information on where consumers should file complaints, the type of documentation, if any, that must accompany a complaint, and the procedures the state will use to adjudicate complaints.
  - ii. Section 64.1110(b). Pursuant to section 64.1110(b), state notification of an intention to discontinue administering the Federal Communications Commission's unauthorized carrier change rules and remedies, as enumerated in sections 64.1100-1190, shall be filed with the Commission Secretary in CC Docket No. 94-129 with a copy of such amended notification provided to the Consumer and Governmental Affairs Bureau Chief. Such discontinuance shall become effective 60 days after the Commission's receipt of the state's letter.

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subscriber to the authorized carrier at the rates the subscriber was paying to the authorized carrier at the time of the unauthorized change. *See id.* Where the subscriber has paid charges to the unauthorized carrier, the Commission's rules require that the unauthorized carrier pay 150 percent of those charges to the authorized carrier, and the authorized carrier shall refund or credit to the subscriber 50 percent of all charges paid by the subscriber to the unauthorized carrier. *See id.* §§ 64.1140, 64.1170.

<sup>7</sup> *See Protecting Consumers from Unauthorized Carrier Changes and Related Unauthorized Charges*, CG Docket No. 17-169, Report and Order, 33 FCC Rcd 5773, 5778-80, paras. 17-19 (2018) (*2018 Slamming Order*).

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(b) Section 64.1120. Verification of Orders for Telecommunications Service

- i. Section 64.1120(a). Pursuant to section 64.1120(a), no telecommunications carrier shall submit or execute a change on the behalf of a subscriber in the subscriber's selection of a provider of telecommunications service except in accordance with the procedures prescribed in 47 CFR Part 64, sections 64.1100-64.1190. No submitting carrier shall submit a change on the behalf of a subscriber in the subscriber's selection of a provider of telecommunications service prior to obtaining: (i) authorization from the subscriber, and (ii) verification of that authorization in accordance with the procedures in Part 64. The submitting carrier shall maintain and preserve records of verification of subscriber authorization for a minimum period of two years after obtaining such verification.
- ii. Section 64.1120(c). Pursuant to section 64.1120(c), no telecommunications carrier shall submit a preferred carrier change order unless and until the order has been confirmed in accordance with one of the following procedures: (1) The telecommunications carrier has obtained the subscriber's written authorization in a form that meets the requirements of section 64.1130; or (2) the telecommunications carrier has obtained, in accordance with the procedures set forth in paragraphs (c)(3)(i) through (c)(3)(iv) of this section, the subscriber's electronic authorization to submit the preferred carrier change order. Such authorization must be placed from the telephone number on which the preferred carrier is to be changed and must confirm the information in section 64.1120(a)(1). Telecommunications carriers electing to confirm sales electronically shall establish one or more toll-free telephone numbers exclusively for that purpose; or (3) an appropriately qualified independent third party has obtained the subscriber's oral authorization to submit the preferred carrier change order that confirms and includes appropriate verification data (e.g., the subscriber's date of birth or social security number). The content of the verification must include clear and conspicuous confirmation that the subscriber has authorized a preferred carrier change; or (4) any state-enacted verification procedures application to intrastate preferred carrier change orders only.
- iii. Section 64.1120(c)(3)(iii). Pursuant to section 64.1120(c)(3)(iii), any description of the carrier change transaction by a third-party verifier must not be misleading, and all third party verification methods shall elicit, at a minimum: the date of the verification; the identity of the subscriber; confirmation that the person on the call is authorized to make the carrier change; confirmation that the person on the call wants to make the carrier change; confirmation that the person on the call understands that a carrier change, not an upgrade to existing service, bill consolidation, or any other misleading description of the transaction, is being authorized; the names of the carriers affected by the change (not including the name of the displaced carrier); the telephone numbers to be switched; and the types of service involved (including a brief description of a service about which the subscriber demonstrates confusion regarding the nature of that service). Except in Hawaii, any description of interLATA or long distance service shall convey that it encompasses both international and state-to-state calls, as well as some intrastate calls where applicable. If the subscriber has additional questions for the carrier's sales representative during the verification, the verifier shall indicate to the subscriber that, upon completion of the verification process, the subscriber will have authorized a carrier change. Third-party verifiers may not market the carrier's services by providing

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additional information, including information regarding preferred carrier freeze procedures.

(c) Section 64.1130. Letter of Agency Form and Content

- i. Section 64.1130(a). Pursuant to section 64.1130(a) a telecommunications carrier may use a written or electronically signed "letter of agency" to obtain authorization and/or verification of a subscriber's request to change his or her preferred carrier selection. A letter of agency that does not conform with this section is invalid for purposes of this part.
- ii. Section 64.1130(b). Pursuant to section 64.1130(b), the letter of agency shall be a separate document (or easily separable document) or located on a separate screen or webpage containing only the authorizing language described in paragraph (e) of this section having the sole purpose of authorizing a telecommunications carrier to initiate a preferred carrier change. The letter of agency must be signed and dated by the subscriber to the telephone line(s) requesting the preferred carrier change.
- iii. Section 64.1130(c). Pursuant to section 64.1130(c), the letter of agency shall not be combined on the same document, screen, or webpage with inducements of any kind.
- iv. Section 64.1130(d). Pursuant to section 64.1120(d), the letter of agency may be combined with checks that contain only the required letter of agency language as prescribed in paragraph (e) of this section and the necessary information to make the check a negotiable instrument. The letter of agency check shall not contain any promotional language or material. The letter of agency check shall contain in easily readable, bold-face type on the front of the check, a notice that the subscriber is authorizing a preferred carrier change by signing the check. The letter of agency language shall be placed near the signature line on the back of the check.
- v. Section 64.1130(i). Pursuant to section 64.1130(i), a letter of agency submitted with an electronically signed authorization must include the consumer disclosures required by section 101(c) of *Electronic Signatures in Global and National Commerce Act*.
- vi. Section 64.1130(j). Pursuant to section 64.1130(j), a carrier shall submit a preferred carrier change order on behalf of a subscriber within no more than 60 days of obtaining a written or electronically signed letter of agency. However, letters of agency for multi-line and/or multi-location business customers that have entered into negotiated agreements with carriers to add presubscribed lines to their existing business locations during the course of a term agreement shall be valid for the period specified in the term agreement.

(d) Section 64.1140. Carrier Liability for Slamming

Section 64.1140(b). Pursuant to section 64.1140(b), any subscriber whose selection of telecommunications service provider is changed without authorization or verification in accordance with the procedures set for in this part is liable for charges as follows:

If the subscriber has not already paid charges to the unauthorized carrier, the subscriber is absolved of liability for charges imposed by the unauthorized carrier for service provided during the first 30 days after the unauthorized change. Upon being

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informed by a subscriber that an unauthorized change has occurred, the authorized carrier, the unauthorized carrier, or the executing carrier shall inform the subscriber of this 30-day absolute period. Any charges imposed by the unauthorized carrier on the subscriber for service provided after this 30-day period shall be paid by the subscriber to the authorized carrier at the rates the subscriber was paying to the authorized carrier at the time of the unauthorized change in accordance with the provisions of section 64.1160(e) of this part.

**(e) Section 64.1150. Procedures For Resolution of Unauthorized Changes in Preferred Carrier**

- i. Section 64.1150(a). Pursuant to section 64.1150(a), executing carriers who are informed of an unauthorized carrier change by a subscriber must immediately notify both the authorized and allegedly unauthorized carrier of the incident. This notification must include the identity of both carriers.
- ii. Section 64.1150(b). Pursuant to section 64.1150(b), any carrier, executing, authorized, or allegedly unauthorized, that is informed by a subscriber or an executing carrier of an unauthorized carrier change shall direct that subscriber either to the state commission or, where the state commission has not opted to administer these rules, to the Federal Communications Commission's Consumer and Governmental Affairs Bureau, for resolution of the complaint. Carriers shall also inform the subscriber that he or she may contact and seek resolution from the alleged unauthorized carrier and, in addition, may contact the authorized carrier.
- iii. Section 64.1150(c). Pursuant to section 64.1150(c), upon receipt of an unauthorized carrier change complaint, the relevant governmental agency will notify the allegedly unauthorized carrier of the complaint and order that the carrier removes all unpaid charges from the subscriber's bill pending a determination of whether an unauthorized change, as defined by section 64.1100(e) of this part, has occurred, if it has not already done so.
- iv. Section 64.1150(d). Pursuant to section 64.1150(d), not more than 30 days after notification of the complaint, or such lesser time as is required by the state commission if a matter is brought before a state commission, the alleged unauthorized carrier shall provide to the relevant government agency a copy of any valid proof of verification of the carrier change. This proof of verification must contain clear and convincing evidence of a valid authorized carrier change, as that term is defined in sections 64.1150-1160 of this part. The relevant governmental agency will determine whether an unauthorized change, as defined by section 64.1100(e) of this part, has occurred using such proof and any evidence supplied by the subscriber. Failure by the carrier to respond or provide proof of verification will be presumed to be clear and convincing evidence of a violation.

**(f) Section 64.1160. Absolution Procedures Where the Subscriber Has Not Paid Charges**

- i. Section 64.1160(a). Pursuant to section 64.1160(a), this section shall only apply after a subscriber has determined that an unauthorized change, as defined by section 64.1100(e) of this part, has occurred and the subscriber has not paid charges to the allegedly unauthorized carrier for service provided for 30 days, or a portion thereof, after the unauthorized change occurred.

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- ii. Section 64.1160(b). Pursuant to section 64.1160(b), an allegedly unauthorized carrier shall remove all charges incurred for service provided during the first 30 days after the alleged unauthorized change occurred, as defined by section 64.1100(e) of this part, from a subscriber's bill upon notification that such unauthorized change is alleged to have occurred.
- iii. Section 64.1160(c). Pursuant to section 64.1160(c), an allegedly unauthorized carrier may challenge a subscriber's allegation that an unauthorized change, as defined by section 64.1100(e) of this part, occurred. An allegedly unauthorized carrier choosing to challenge such allegation shall immediately notify the complaining subscriber that: 1) the complaining subscriber must file a complaint with a state commission that has opted to administer the FCC's rules, or with the FCC, within 30 days of either the date of removal of charges from the complaining subscriber's bill or the date the allegedly unauthorized carrier notifies the complaining subscriber of the requirements of this paragraph, whichever is later; and 2) a failure to file such a complaint within this 30-day time period will result in the charges removed being reinstated on the subscriber's bill and, consequently, the complaining subscribers will only be entitled to remedies for the alleged unauthorized change other than those provided for in section 64.1140(b)(1). No allegedly unauthorized carrier shall reinstate charges to a subscriber's bill pursuant to the provisions of this paragraph without first providing such subscriber with a reasonable opportunity to demonstrate that the requisite complaint was timely filed within the 30-day period described in this paragraph.
- iv. Section 64.1160(d). Pursuant to section 64.1160(d), if the governmental agency determines after reasonable investigation that an unauthorized carrier change has occurred, an order shall be issued providing that the subscriber is entitled to absolution from the charges incurred during the first 30 days after the unauthorized carrier change occurred, and neither the authorized or unauthorized carrier may pursue any collection against the subscriber for those charges.
- v. Section 64.1160(e). Pursuant to section 64.1160(e), if the subscriber has incurred charges for more than 30 days after the unauthorized carrier change, the unauthorized carrier must forward the billing information for such services to the authorized carrier, which may bill the subscriber for such services using either of the following means: The amount of the charge may be determined using a 50% Proxy Rate as follows:

Upon receipt of billing information from the unauthorized carrier, the authorized carrier may bill the subscriber for 50% of the rate the unauthorized carrier would have charged the subscriber for the services provided. However, the subscriber shall have the right to reject use of this 50% proxy method and require that the authorized carrier perform a re-rating of the services provided, as described in paragraph (e)(1) of this section.

(g) Section 64.1170. Reimbursement Procedures Where the Subscriber Has Paid Charges

- i. Section 64.1170(a). Pursuant to section 64.1170(a), the procedures set forth in section 64.1170 shall apply only after a subscriber has determined that an unauthorized change, as defined by section 64.1100(e) of the Commission's rules, has occurred and the subscriber has paid charges to an allegedly unauthorized carrier.

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ii. Section 64.1170(b). Pursuant to section 64.1170(b), if the relevant governmental agency determines after reasonable investigation that an unauthorized change, as defined by section 64.1100(e), has occurred, it shall issue an order directing the unauthorized carrier to forward to the authorized carrier the following, in addition to any appropriate state remedies:

(1) An amount equal to 150% of all charges paid by the subscriber to the unauthorized carrier; and

(2) Copies of any telephone bills issued from the unauthorized carrier to the subscriber.

This order shall be sent to the subscriber, the unauthorized carrier, and the authorized carrier.

iii. Section 64.1170(c). Pursuant to section 64.1170(c), within ten days of receipt of the amount provided for in paragraph (b)(1) of this section, the authorized carrier shall provide a refund or credit to the subscriber in the amount of 50% of all charges paid by the subscriber to the unauthorized carrier. The subscriber has the option of asking the authorized carrier to re-rate the unauthorized carrier's charges based on the rates of the authorized carrier, and on behalf of the subscriber, seek an additional refund from the unauthorized carrier, to the extent that the re-rated amount exceeds the 50% of all charges paid by the subscriber to the unauthorized carrier. The authorized carrier shall also send notice to the relevant governmental agency that it has given a refund or credit to the subscriber.

iv. Section 64.1170(e). Pursuant to section 64.1170(e), if the authorized carrier has not received payment from the unauthorized carrier as required by paragraph (c) of this section, the authorized carrier is not required to provide any refund or credit to the subscriber. The authorized carrier must, within 45 days of receiving an order as described in paragraph (b) of this section, inform the subscriber and the relevant governmental agency that issued the order whether the unauthorized carrier has failed to forward to it the appropriate charges, and also inform the subscriber of his or her right to pursue a claim against the unauthorized carrier for a refund of all charges paid to the unauthorized carrier.

(h) Section 64.1190. Preferred Carrier Freezes

i. Section 64.1190(d). Pursuant to section 64.1190(d)(1)(ii), all carrier-provided solicitation and other materials regarding preferred carrier freezes must include: a description of the specific procedures necessary to lift a preferred carrier freeze; an explanation that these steps are in addition to the Commission's verification rules in sections 64.1120 and 64.1130 for changing a subscriber's preferred carrier selections; and an explanation that the subscriber will be unable to make a change in carrier selection unless he or she lifts the freeze.

ii. Section 64.1190(d)(2). Pursuant to section 64.1190(d)(2)(i), no local exchange carrier shall implement a preferred carrier freeze unless the subscriber's request to impose a freeze has first been confirmed in accordance with one of the following procedures: the local exchange carrier has obtained the subscriber's written or electronically signed authorization in a form that meets the requirements of section 64.1190(d)(3).

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- iii. Section 64.1190(d)(3). Pursuant to section 64.1190(d)(3)(i), the written authorization shall comply with sections 64.1130(b), (c), and (h) of the Commission's rules concerning the form and content for letters of agency.
  - iv. Section 64.1190(e). Pursuant to section 64.1190(e), a local exchange carrier administering a preferred carrier freeze must accept a subscriber's written or electronically signed authorization stating his or her intent to lift a preferred carrier freeze.
- (i) Section 1.719. Informal Complaints Filed Pursuant to Section 258
- i. Section 1.719(a). Pursuant to section 1.719(a), notwithstanding the requirements of sections 1.716-1.718, the following procedures shall apply to complaints alleging that a carrier has violated section 258 of the Act, by making an unauthorized change of a subscriber's preferred carrier, as defined by section 64.1100(e).
  - ii. Section 1.719(b). Pursuant to section 1.719(b), the complaint shall be in writing, and should contain: (1) the complainant's name, address, telephone number and e-mail address (if the complainant has one); (2) the name of both the allegedly unauthorized carrier, and authorized carrier; (3) a complete statement of the facts (including any documentation) tending to show that such carrier engaged in an unauthorized change of the subscriber's preferred carrier; (4) a statement of whether the complainant has paid any disputed charges to the allegedly unauthorized carrier; and (5) the specific relief sought.
  - iii. Section 1.719(c). Pursuant to section 1.719(c), the Commission will resolve slamming complaints under the definitions and procedures established in sections 64.1100-1190. The Commission will issue a written (ore electronic) order informing the complainant, the unauthorized carrier, and the authorized carrier of its finding, and ordering the appropriate remedy, if any, as defined by sections 64.1160-1170.
  - iv. Section 1.719(d). Pursuant to section 1.719(d), if the complainant is unsatisfied with the resolution of a complaint under this section, the complainant may file a formal complaint with the Commission in the form specified in section 1.721 of this part. Such filing will be deemed to relate back to the filing date of the informal complaint filed under this section, so long as the informal complaint complied with the requirements of paragraph (b) of this section and provided that the formal complaint: 1) is filed within 45 days from the date an order resolving the informal complaint filed under this section is mailed or delivered electronically to the complainant; 2) makes reference to both the informal complaint number assigned to and the initial date of filing the informal complaint filed under this section; and 3) is based on the same cause of action as the informal complaint filed under this section. If no formal complaint is filed within the 45-day period, the complainant will be deemed to have abandoned its right to bring a formal complaint regarding the cause of action at issue.
- (j) Voluntary Reporting Requirement. The Commission imposed a modest reporting requirement on those states that voluntarily opt in to administer the Commission's rules by handling slamming complaints filed by their citizens. The Commission, in order to fulfill its responsibilities under section 258 and to assist its anti-slaming enforcement efforts, requires states that choose to administer the Commission's slamming rules to "regularly" file



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information with the Commission that details slamming activity in their regions. Such filings should identify the number of slamming complaints handled, including data on the number of valid complaints per carrier; the identity of top slamming carriers; slamming trends; and other relevant information.

- (k) Drop-off Rule Exemption Reporting Requirement. The Commission imposed a modest reporting requirement on those carriers that voluntarily opt to apply for exemption of the Commission's drop-off rule. The Commission will exempt from the rule those carriers that certify to the Commission that their sales agents are unable to drop off the sales call after initiating a third-party verification. Carriers will be exempt from the drop-off rule for a period of two years from the date the certification is received by the Commission. Carriers that wish to extend their exemption from the rule must, at the end of the two-year period (and every two years thereafter), certify to the Commission as to their continued inability to comply.

**The Commission is requesting an extension of this information collection in order to receive the full three-year OMB approval/clearance for this collection.**

The statutory authority for the information collection requirements is found at section 258 [47 U.S.C. § 258], Illegal Changes In Subscriber Carrier Selections, Public Law 104-104, 110 Stat. 56.

2. The information is used to implement section 258 of the Act. In addition, the information is necessary to enforce our rules to deter slamming, while protecting consumers from carriers that may take advantage of consumer confusion over different types of telecommunications services.

This information collection does contain personally identifiable information on individuals (PII).

- (a) As required by OMB Memorandum M-03-22 (Sept. 26, 2003), the FCC completed a Privacy Impact Assessment (PIA)<sup>8</sup> on June 28, 2007, that gives a full and complete explanation of how the FCC collects, stores, maintains, safeguards, and destroys the PII covered by these information collection requirements. The PIA may be viewed at [http://www.fcc.gov/omd/privacyact/Privacy\\_Impact\\_Assessment.html](http://www.fcc.gov/omd/privacyact/Privacy_Impact_Assessment.html).
  - (b) Furthermore, as required by the Privacy Act, 5 U.S.C. § 552a, the FCC also published a system of records notice (SORN), FCC/CGB-1, "Informal Complaints, Inquiries and Requests for Dispute Assistance," in the *Federal Register* on August 15, 2014 (79 FR 48152), which became effective on September 24, 2014.
3. The Commission contemplates that records may be kept electronically. The rules do not specifically provide for technological collection techniques or other forms of electronic technology.
  4. The information collection requirements are not duplicative of any currently existing federal regulatory obligation.

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<sup>8</sup> The Commission is in the process of updating the PIA to incorporate various revisions to it as a result of revisions made to the SORN.

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5. The collections of information may impact small business entities. The Commission is committed to reducing the regulatory burdens on small businesses whenever possible, consistent with the Commission's other public interest responsibilities. Therefore, pursuant to its *Fourth Report and Order*, the Commission's modified reporting requirements represent a balance between reducing these burdens and ensuring that consumer's telecommunications carrier selections are not changed without their authorization. The rules permit carriers to decide how the date of verification will be ascertained. In addition, though in some instances the rules require verifiers to inform the consumer that the carrier change can be effectuated once the verification is completed, they require verifiers to do so only in situations where the subscriber has additional questions for the carrier's sales representative. The Commission also declined to prohibit verifiers from using compound questions during the verification process. In addition, the Commission recently eliminated the verification requirement that carriers obtain authorization for each individual service sold when the carrier is selling more than one telecommunications service to a subscriber.<sup>9</sup> The Commission also declined to require carriers to record sales calls or to require carriers to offer default preferred intercarrier freezes or default blocks on third-party charges. The Commission determined that such requirements did not offer specific benefits that would outweigh the costs of these measures, including their potential to inhibit consumer switching and competition in the relevant markets and the ability for carriers to quickly port customers.<sup>10</sup>
6. Without these information collection requirements, consumers might not be aware of their rights and responsibilities related to carrier changes—both authorized and unauthorized.
7. The collection is not conducted in any manner that is inconsistent with the guidelines in 5 CFR § 1320.
8. Pursuant to 5 CFR § 1320.8(d), the Commission published a 60-day *Federal Register* notice in the *Federal Register* on December 31, 2019, at 84 FR 72360, seeking comments from the public on the information collection requirements contained in this supporting statement. The Commission did not receive any comments during the publication of this notice.  
  
The Commission however received a comment during the 30-day comment period. The comment was not relevant to this information collection.
9. These disclosure requirements do not involve any payment or gift to respondents.
10. Assurances of confidentiality are being provided to the respondents.  
  
The PIA that the FCC completed on June 28, 2007 gives a full and complete explanation of how the FCC collects, stores, maintains, safeguards, and destroys the PII, as required by OMB regulations and the Privacy Act, 5 U.S.C. § 552a. The PIA may be viewed at: [http://www.fcc.gov/omd/privacyact/Privacy\\_Impact\\_Assessment.html](http://www.fcc.gov/omd/privacyact/Privacy_Impact_Assessment.html).
11. This information collection does not raise any questions or issues of a sensitive nature.
12. The information collection requirements noted above will not change the estimates of the hour burden for collection of information by respondents except for a reduction in the estimate of hours for a consumer to file a complaint. The only other changes herein are ones

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<sup>9</sup> See *2018 Slamming Order*, 33 FCC Rcd at 5773, para. 31.

<sup>10</sup> See *id.*

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to update the 2019 hourly wage of a GS-13/5 and a GS-7/5 level government employee used to calculate costs. Estimates of the hour burden for this collection of information are as follows:

- (a) Section 64.1110 – State Notification of Election to Administer FCC Rules. The following represents the estimate of hour burden for the information collection under section 64.1110:

The Commission estimates that there are approximately 52 state commissions (respondents) subject to the requirement over a three-year time period. Annually, 17 respondents are estimated to fulfill the requirement. This process will be done one time and will require approximately 2 hours to comply with the requirement.<sup>11</sup> In fact, fewer state commissions may opt to comply with this requirement, which is voluntary.

**Annualized Number of Respondents: 17**

**Annualized Number of Responses: 17**

**Annualized Burden Hours:**

17 state commissions x 1 notification x 2 hours = **34**

The Commission assumes that respondents use “in house” personnel whose pay is comparable to mid-to-senior level federal employees (GS-13/5). The Commission estimates respondent’s cost to be about \$53.85 per hour to comply with the requirements:

**Annualized “In-House” Cost:**

17 state commissions x 1 notification x 2 hours x \$53.85/hr = **\$1,830.90**

- (b) Section 64.1120 – Verification of Orders for Telecommunications Service. The following represents the estimate of hour burden for the information collection under section 64.1120:

The Commission estimates that there are approximately 3,108 carriers (respondents) subject to the requirement. This process will be done “on occasion” and will require approximately 1.5 hours to comply with the requirements. This estimate of the average burden contemplates that some companies will experience no burden, while others may need several more hours to comply with the requirements. A significant number of the above estimated respondents may opt to use other verification methods allowed by our rules as opposed to the verification method that is the subject of this rule. Thus, the number of companies actually employing this verification method may be significantly lower than the above estimate. In addition, as discussed above, the Commission recently eliminated the requirement to obtain separate authorizations for each service sold, thereby reducing the number of hours required to comply with these rules.

**Annual Number of Respondents: 3,108**

**Annual Number of Responses: 3,108**

**Annual Burden Hours:**

<sup>11</sup> Although this is a one-time reporting requirement for a respondent, respondents will fulfill this requirement as long as the requirement exists.

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3,108 carriers x 1 verification document x 1.5 hours = **4,662 hours**

The Commission assumes that respondents use "in house" personnel whose pay is comparable to mid-to-senior level federal employees (GS-13/5). The Commission estimates respondent's cost to be about \$53.85 per hour to comply with the requirements:

**Annual "In-House" Cost:**

3,108 carriers x 1 verification document x 1.5 hours x \$53.85/hr = **\$251,048.70**

- (c) 64.1130 – Letters of Agency. The following represents the estimate of hour burden for the information collection under section 64.1130:

The Commission estimates that there are approximately 3,108 carriers (respondents) subject to the requirement. This process will be done "on occasion" and will require approximately 4 hours to comply with the requirement. This estimate of the average burden contemplates that some companies will experience no burden, while others may need several more hours to comply with the requirements. A significant number of the above estimated respondents may opt to use other verification methods allowed by our rules as opposed to the verification method that is the subject of this rule. Thus, the number of companies actually employing this verification method may be significantly lower than the above estimate.

**Annual Number of Respondents: 3,108**

**Annual Number of Responses: 3,108**

**Annual Burden Hours:**

3,108 carriers x 1 letter of agency & consent/carrier form x 4 hours = **12,432 hours**

The Commission assumes that respondents use "in house" personnel whose pay is comparable to mid-to-senior level federal employees (GS-13/5). The Commission estimates respondent's cost to be about \$53.85 per hour to comply with the requirement:

**Annual "In-House" Costs:**

3,108 carriers x 1 letter of agency & consent/carrier form x 1 hour x \$53.85/hr = **\$167,365.80**

Also, assuming the respondents use "in house" personnel whose pay is comparable to a mid-level federal employees (GS-7/5), the Commission estimates respondent's cost to be about \$25.53 per hour to comply with the requirement:

3,108 carriers x 1 letter of agency & consent/carrier form x 3 hours x \$25.53/hr = **\$238,041.72**

- (d) Section 64.1140 – Carrier Liability for Slamming. The following represents the estimate of hour burden of the information collection under section 64.1140:

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The Commission estimates that there are approximately 500 carriers (respondents) subject to the requirement. This process will be done “on occasion” taking approximately 2 hours to comply with the requirement. This estimate of the average burden contemplates that some companies will experience no burden, while others may need several more hours to comply with the requirements. This estimate also contemplates that there has been a significant reduction in the number of carriers found to be liable for slamming violations each year by the Commission and state commissions, thus reducing the number of respondents subject to the requirement.

**Annual Number of Respondents: 500<sup>12</sup>**

**Annual Number of Responses: 500**

**Annual Burden Hours:**

500 carriers x 1 notification/carrier x 2 hours = **1,000 hours**

The Commission assumes that the respondents use “in house” personnel whose pay is comparable to mid-to-senior level federal employees (GS-13/5). The Commission estimates respondent’s cost to be about \$53.85 per hour to comply with the requirement:

**Annual “In-House” Cost:**

500 carrier x 1 notification/carrier x 2 hours x \$53.85/hr = **\$53,850.00**

- (e) Section 64.1150 – Procedures for Resolution of Unauthorized Changes in Preferred Carrier. The following represents the estimate of hour burden of the information collection under 64.1150:

The Commission estimates that there are approximately 3,108 carriers and 37 state commissions (respondents) subject to the requirement. This process will be done “on occasion” and will require approximately 5 hours to comply with the requirement.

**Annual Number of Respondents: 3,145<sup>13</sup>**

**Annual Number of Responses: 3,145**

**Annual Burden Hours:**

3,108 carriers + 37 states x 1 notification/respondent x 5 hours = **15,725 hours**

The Commission assumes that respondents use “in house” personnel whose pay is comparable to mid-to-senior level employees (GS-13/5). The Commission estimates respondent’s cost to be about \$53.85 per hour to comply with the requirement:

**Annual “In-House” Cost:**

<sup>12</sup> These 500 carriers (respondents) are the same respondents accounted for in the grand total of 3,108 carriers subject to this information collection.

<sup>13</sup> The 37 state commissions (respondents) that are subjected to this requirement are the same respondents accounted for in the grand total of 52 commissions subject to this information collection herein.

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3,108 carriers +37 states x 1 notification/respondent x 5 hours x \$53.85/hr =  
**\$846,791.25**

- (f) Section 64.1160 – Absolution Procedures Where the Subscriber has Not Paid Charges. The following represents the estimate of hour burden for the information collection under 64.1160:

The Commission estimates there are approximately 3,108 carriers and 37 state commissions subject to the requirement. This process will be done “on occasion” and will require approximately 8 hours to comply with the requirement.

**Annual Number of Respondents: 3,145**

**Annual Number of Responses: 3,145**

**Annual Burden Hours:**

3,108 carriers + 37 states x 1 notification or complaint/respondent x 8 hours = **25,160 hours**

The Commission assumes that respondents use “in house” personnel whose pay is comparable to mid-to-senior level federal employees (GS-13/5). The Commission estimates respondent’s cost to be about \$53.85 per hour to comply with the requirement:

**Annual “In-House” Cost:**

3,108 carriers + 37 states x 1 notification or complaint/respondent x 8 hours x \$53.85/hr = **\$1,354,866.00**

- (g) Section 64.1170 – Reimbursement Procedures Where the Subscriber Has Paid Charges. The following represents the estimate of hour burden of the information collection under section 64.1170:

The Commission estimates that there are approximately 3,108 carriers and 37 states (respondents) subject to the requirement. This process will be done “on occasion” and will require approximately 7 hours to comply with the requirement.

**Annual Number of Respondents: 3,145**

**Annual Number of Responses: 3,145**

**Annual Burden Hours:**

3,108 carriers + 37 states x 1 notification/filings/respondent x 7 hours each = **22,015 hrs**

The Commission assumed that respondents use “in house” personnel whose pay is comparable to mid-to-senior level federal employees (GS-13/5). The Commission estimates respondent’s cost to be about \$53.85 per hour to comply with the requirement:

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**Annual "In-House" Cost:**

3,108 carriers + 37 states x 1 notification/filings/respondent x 7 hours each x 53.85/hr = **\$1,185,507.75**

- (h) Section 64.1190 – Preferred Carrier Freezes. The following represents the estimate of hour burden for the information collection under section 64.1190:

The Commission estimates that there are approximately 1,850 carriers (respondents) subject to the requirement. This process will be done "on occasion" and will require approximately 2 hours to comply with the requirement.

**Annual Number of Respondents: 1,850<sup>14</sup>**

**Annual Number of Responses: 1,850**

**Annual Burden Hours:**

1,850 carriers x 1 preferred carrier freeze document x 2 hours = **3,700 hours**

The Commission assumes that respondents use "in house" personnel whose pay is comparable to mid-to-senior level federal employees (GS-13/5). The Commission estimates respondent's cost to be about \$53.85 per hour to comply with the requirement:

**Annual "In-House" cost:**

1,850 carriers x 1 preferred carrier freeze document x 2 hours x \$53.85/hr = **\$199,245.00**

- (i) Section 1.719 – Informal Complaints Filed Pursuant to Section 258 of Act. The following represents the estimate of hour burden for the information collection under section 1.719:

The Commission estimates that there are approximately 1,000 consumers (respondents) subject to the requirement. This process will be done "on occasion" and will require approximately 1 hour to comply with the requirement.

**Annual Number of Respondents: 1,000**

**Annual Number of Responses: 1,000**

**Annual Burden Hours:**

1,000 consumers x 1 complaint/document/filing/respondent x 1 hour each = **1,000 hrs**

Because consumers utilize the informal complaint form to file informal complaints pursuant to section 258 of the Act, there will be no "in-house" personnel to comply with the requirement.

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<sup>14</sup> These 1,850 carriers (respondents) are the same respondents accounted for in the grand total of 3,108 carriers subject to this information collection herein.

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- (j) Voluntary Reporting Requirement. The following represents the estimate of hour burden for the voluntary information collection:

The Commission estimates that there are approximately 52 state commissions (respondents) subject to the requirement. This process will be done "twice per year" which will take approximately 10 hours in total (5 hours each time) to comply with the requirement. In fact, fewer state commissions may opt to undertake this voluntary information collection.

**Annual Number of Respondents: 52**

**Annual Number of Responses: 52**

**Annual Burden Hours:**

52 state commissions x 1 filing/respondent x 10 hours/yr = **520 hours**

The Commission assumes that respondents use "in house" personnel whose pay is comparable to mid-to-senior level federal employee (GS-13/5). The Commission estimates respondent's cost to be about \$53.85 per hour to comply with the requirement:

**Annual "In-House" Cost:**

52 state commissions x 1 filing/respondent x 10 hours each x \$53.85/hr = **\$28,002.00**

- (k) Drop-off Rule Exemption Requirement. The following represents the estimate of hour burden for the voluntary information collection:

The Commission estimates that there are approximately 1,850 carriers (respondents) subject to the requirement. This process will be "once every two years" and take 1 hour over the course of two years (which equals .50 hours per year) to comply with the requirement.

**Annual Number of Respondents: 1,850**

**Annual Number of Responses: 1,850**

**Annual Burden Hours:**

1,850 carriers x 1 certification/respondent x .50 hours each<sup>15</sup> = **925 hrs/year**

The Commission assumes that the respondents use "in house" personnel whose pay is comparable to mid-to-senior level federal employees (GS-13/5). The Commission estimates respondent's costs to be about \$53.85 per hour to comply with the requirement annually.

**Annual "In-House" Cost:**

1,850 carriers x 1 certification/respondent x .50 hours each x \$53.85/hr = **\$49,811.25**

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<sup>15</sup> The Commission bases its estimate on a yearly calculation which equals .50 hours per year.



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**Total Annual Number of Respondents:** 3,108 carriers + 1,000 consumers + 52 states = **4,160 respondents**

**Total Annual Number of Responses:** 20,920

**Total Annual Hour Burden:** 34 + 4,662 + 12,432 + 1,000 + 15,725 + 25,160 + 22,015 + 3,700 + 1,000 + 520 + 925 = **87,173 hours**

**Total Annual "In-House" Costs:** \$1,830.90 + \$251,048.70 + \$167,365.80 + \$238,041.72 + \$53,850.00 + \$846,791.25 + \$1,354,866.00 + \$1,185,507.75 + \$199,245.00 + \$28,002.00 + \$49,811.25 = **\$4,376,360.37**

13. The Commission believes that there are approximately 15 companies that perform the verification services for carriers, when consumers switch their telephone service from one carrier to another carrier. These 15 companies perform this verification service annually for approximately 10,000,000 consumers who change carriers through this method. These numbers have been reduced due to the smaller number of consumers who change carriers each year. Industry estimates of the verification cost per subscriber average \$2.63.

10,000,000 verifications x \$2.63 per verification = **\$26,300,000.00**

14. Cost to the Federal Government: The cost to the Federal Government for administering the slamming rules is estimated to be **\$75,390.00**. This cost is based on the following calculations:

(1) The Commission estimates the expected number of complaints = 350<sup>16</sup>

(2) The Commission estimates that it will take 4 hours for a GS-13/5 staff attorney at approximately \$53.85 to review/process complaints received:

350 complaints x 4 hours/complaint x \$53.85/hour = **\$75,390.00**

15. There are program changes to this information collection due to: 1) the Commission's elimination of the verification requirement that carriers obtain authorization for each individual service sold (e.g., intraLATA and interLATA toll service) when the carrier is selling more than one telecommunications service to a subscriber; 2) the reduction in the number of carriers found to be liable for slamming violations each year by the Commission and state commissions; 3) the number of companies that perform verification services for carriers; and 4) the number of consumers who switch carriers each year. These program

<sup>16</sup> The remaining 650 complaints are processed by the states that have opted to handle slamming complaints, in accordance with the Commission's rules.

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changes/decreases are as follows: -1,410 to the annual number responses, -4,374 to the annual burden hours and -\$24,985,000 to the annual cost.

16. The Commission intends to make the slamming reports available for public inspection.
17. The Commission does not intend to seek approval not to display the expiration date for OMB approval on the information collection.
18. There are no exceptions to the Certification Statement.

**B. Collections of Information Employing Statistical Methods:**

The Commission does not anticipate that the collection of information will employ statistical methods.